

Office of the Insurance Commissioner Legislative Agenda Overview

Tier 1 – Major Policy		Description	
Rate Regulation – Individual Market		Establishes regulatory oversight for rates in the individual health plan market. Includes prior approval of rates, establishes a public hearing process for rate requests over a defined percentage, makes filings open to public disclosure, gives the Commissioner authority to look at surplus in the rate review process, and eliminates loss ratio reporting and WSHIP remittance requirements.	HB 2499 SB 6233
Ethel's Bill		Clarifying the definition of "accident" for underinsured and uninsured motorist insurance	SHB 2415 SB 6182
Broker Disclosure		Extends provisions of 48.17.270 (compensation and disclosure) to all agent-broker combinations. Currently this section applies only with respect to property and casualty insurance agent-brokers.	SHB 2405 SSB 6181
Fraud Unit		Establish an anti fraud program in the OIC. Funds investigation and prosecution of criminal insurance fraud.	HB 2482 SB 6234
Medical Malpractice Insurance Reform –		Support HB 2292, specifically the insurance elements with minor changes and upgrades: <ul style="list-style-type: none"> • Medical malpractice closed claim reporting. • Notification of underwriting actions. • Increased notification of cancellation or non-renewal of liability insurance policies. • Prior approval of medical malpractice insurance rates. 	HB 2292
Data Transparency		Require insurance companies to report specific information on an annual basis.	HB 2500 SSB 6232
Retainer Medicine		Create a regulatory structure for these practices within the Insurance Code.	HB 2404 SB 6212
Tier 2 – General Policy			
Air Ambulance		Exempts licensed air ambulance companies that sell subscriptions for their services from the insurance code as long as they meet certain criteria.	SB 6231
Guarantee Products		Creates a regulatory structure for these products within the Insurance Code.	HB 2553
Mental Health Parity Technical Amendment		Corrects the definition of "group".	HB 2501
Tier 3 – Technical		See Attached	

Office of the Insurance Commissioner HB 2406 Technical Bill Overview

Section	Topic	Description
1- 4	P&C Actuarial	Require P&C insurers to prepare and file actuarial opinion and summary of opinion. Based on an NAIC Model Act. Will be required for accreditation in the near future.
5,8,9, 10	Submission of Financial Statements	Requires only domestic entities file with the commissioner financial statements of the previous year on or before March 1st of the current year. Clarifies that financial information can be filed on or before the first day of March. Both foreign and domestic companies are still required to file their annual financial statements with the NAIC. Streamlines paperwork by removing the requirement that foreign companies file both with the commissioner and with the NAIC. Reduces the amount of filings that the OIC must receive and maintain when the information is readily available through the NAIC.
6	Negative Trend Test for P&C insurers	Adds a negative trend test for property and casualty insurers as a criterion for a “company action level event”. In the near future, the NAIC annual statement instructions and the Accreditation Standards will require the negative trend test. Trends of poor performance will be flagged which will allow for early identification of troubled P&C insurers. There is a similar test for life insurers.
7	Eliminate Double Reporting Requirement	Removes the requirements in RCW 48.43.045(2) that a supplemental compensation exhibit be prepared by health carriers. This requirement is redundant with information already reported in the annual statements.
11	Repeal of Outdated	Repeals RCW 48.05.490 – RBC reports for 1995, and RCW 48.43.365 – RBC report for 1998. Both sections are obsolete.
12-13	Fire Marshal	Completes the “divorce” between the Fire Marshal’s office and the OIC. Recodifies all of chapter RCW 48.48 (State Fire Protection) in chapter RCW 43.43. In Title 52 (Fire Protection Districts) changes reference to the insurance commissioner to “chief of the Washington state patrol through the director of fire protection”.
14	Group Life Fix	Cleans up double amendment (2005 session) to RCW 48.24.030 regarding group life insurance.
15	Flood Insurance Education & Training	Require P&C insurance agents to comply with federal requirements (Section 207 of the Flood Insurance Reform Act of 2004) for pre-licensing training and continuing education on Federal Flood Insurance Plan.
16	TRICARE Supplements	Add TRICARE supplements to the list of exceptions under the definition of “health plan” or “Health Benefit Plan”. This change is necessary to implement SB 5391 that passed in 2005. SB 5391 allows the PEBB to offer a TRICARE supplement to employees who are eligible.
17	UIMPD Wavier	HB 1716 from 2005 – removes the requirement for a written rejection when a named insured or spouse chooses a lower limit of property damage coverage related to uninsured motorist.